

Coins

10 tips to turn the tables on numismatic tricksters

By Roger Boye

TWELVE YEARS AGO, an Illinois farmer bought \$400 worth of silver dollars and other silver coins from a part-time dealer in Bloomington.

"I didn't think they would make me much money, but everything seemed to take off," said the man, who sold the coin hoard for a \$2,100 profit last May. "I guess I was just lucky."

Actually, his experience was not unusual because rare coin collections have outperformed many other kinds of investments during this decade. Those rising prices have lured thousands of "armchair investors" to the hobby who expect to make a small fortune by buying and selling rare coins.

Unfortunately, many newcomers forget that the prices of rare coins can and do drop, while others are swindled by con artists posing as coin dealers. Novices don't realize that successful "coin investing" requires much knowledge and hard work.

To assist the would-be buyer or seller of rare coins, here are 10 timely suggestions from hobby experts.

- Learn as much as possible about coins before you start to acquire the rare dates. Almost all experienced collectors use "A Guide Book of United States Coins," by Richard S. Yeoman, often dubbed the "Red Book." It includes retail prices for U.S. coins in several condition categories, and a wealth of other useful information.

- When buying or selling, go to more than one rare coin dealer in an attempt to get the best deal. As with buying a can of coffee or a new car, it usually pays to shop around.

- Know the person with whom you do business, or patronize well-established dealers. Most coin dealers

are honest and will go out of their way to please a customer, but some want to make a fast buck.

- Don't assume a coin is rare simply because it is old. Supply and demand affect the price more than age. For example, a few coins made less than 25 years ago (a 1955 double die cent, for example) are worth many times the value of most coins from the late 1800s.

- Learn how to determine the condition of a coin because condition has a great influence on the coin's price. Information about "coin grading" is in the Red Book and other basic references sold in coin and hobby stores.

- Realize that a dealer's selling price for a coin is usually at least 25 per cent more than what the dealer paid for the coin. Collectors who expect to make a profit usually must hold the coin for several years.

- Beware of coins offered for sale at bargain-basement prices because counterfeit coins or coins with forged mint marks are known to exist. Better yet, learn to identify the fakes.

- If you own choice material, consider placing it on auction with a major coin auction firm rather than selling directly to a coin dealer. Although the fee may be as much as 25 per cent of the sales price, the best profits are often made at auctions.

- Overcome the temptation to clean coins before a sale in an attempt to improve their condition. Coins cleaned by amateurs (whether with soap and water or chemicals) are almost always less desirable to collectors than uncleaned coins.

- Don't expect all rare coins to appreciate in price. Collectors who think they will become rich by owning a coin collection will likely end up disappointed or even disillusioned.